

85TH SESSION END OF SESSION REPORT



Brandon Aghamalian
Curt Seidlits

Snapper Carr
Andrew Keefer



WHERE WE STARTED THE PARTICIPANTS

- Solid GOP majorities in both chambers
 - House **95 R / 55 D** Senate **20 R / 11 D**
- Lots of turnover
 - 3 new Senators / 22 new Representatives
 - 8 new House committee chairs (including Appropriations)
- Straus re-elected Speaker 5th time by unanimous vote
- Same Governor, Lt. Governor & Comptroller (all R's)



WHERE WE STARTED THE AGENDAS

- **Abbott**

- Four Emergency Items: CPS, Sanctuary Cities, Ethics, and a Convention of the States; added a fifth: Voter ID

- **Patrick**

- SB 1-30: Property Tax Caps, School Choice, “Bathroom Bill,” Sanctuary Cities, Voter ID, State Spending Caps, Hailstorm

- **Straus**

- School Funding, CPS, Mental Health, Infrastructure, Higher Education



LOCAL CONTROL VS. LIBERTY

- “If 2015 was the year local control began to lose its luster as a governing principle..., the 2017 Session saw the culmination of this unfortunate trend.
- The new, improved mantra at the Capitol is “liberty,” which translates to liberty to do anything you want in a city without consideration for the liberty or property values of your neighbors.
- How did we arrive at this state of affairs?
- There are three principle reasons.” -- TML



LOCAL CONTROL VS. LIBERTY

- ‘First, national “**think tanks**” are pushing the idea that state legislatures know better than local governments...that preemption ... is the way forward... These groups are well funded by the national business lobby.
- It’s a simple concept: why deal with multiple cities’ regulations when you can have one-stop shopping at the statehouse?
- Second, years of **litigation** against the federal government have convinced some that state government is the pinnacle... That state government is supreme, and higher and lower levels of government need to get on board with that concept.
- Finally, (there is) a new effort to **politicize** the non-partisan nature of city government... Supporters of the two major parties are active in local city elections. This trend toward politicizing local government may be one of the biggest challenges the League faces in the coming years.” -- TML



AUSTIN HOUSE DELEGATION



Celia Israel

Elections
Transportation



Dawnna Dukes

Appropriations
International Trade &
Intergovernmental Affairs



Donna Howard

Appropriations
Calendars
Higher Education
House
Administration



Eddie Rodriguez

Environmental
Regulation
Redistricting
State Affairs



AUSTIN HOUSE DELEGATION



Gina Hinojosa

Economic & Small Business
Development
Homeland Security
& Public Safety
Administration



Jason Isaac

Energy Resources
Urban Affairs



Larry Gonzales

Appropriations
Government
Transparency &
Operation
Local & Consent
Calendars



Paul

Workman

Business &
Industry
Natural Resources

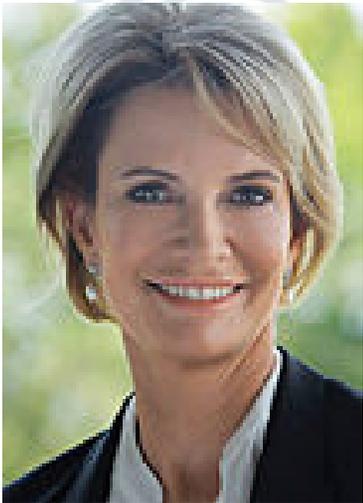


Tony Dale

Environmental
Regulation
Juvenile Justice &
Family Issues



AUSTIN SENATE DELEGATION



**Dawn
Buckingham**

Health & Human
Services
Higher Education
Nominations
Veteran Affairs &
Border Security



**Donna
Campbell**

Veteran Affairs &
Border Security (Chair)
Business & Commerce
Education
Intergovernmental
Relations



**Judith
Zaffirini**

Natural Resources
& Economic
Development
Administration
Business &
Commerce



Kirk Watson

Nominations
Finance
Health & Human
Services
Higher Education



**Charles
Schwertner**

Health & Human
Services
Business & Commerce
Finance
State Affairs



85TH LEGISLATURE BY THE NUMBERS

- **6,631** # of Bills filed (i.e. – proposed ideas)
- **169** # of proposed Constitutional Amendments (JRs)
- **80** # of Bills/JRs filed **per day**
- **3,089** # of Bills/JR's filed in last 10 business days before filing deadline (47%)



85TH LEGISLATURE BY THE NUMBERS

Year	Total Bills Introduced	Total Bills Passed	City-Related bills introduced	City-Related bills passed
74 th -1995	5,000	1,088	800+	140+
75 th -1997	5,629	1,487	1,100+	130+
76 th -1999	5,813	1,622	1,230+	130+
77 th -2001	5,612	1,601	1,200+	150+
78 th -2003	5,633	1,384	1,200+	110+
79 th -2005	5,512	1,389	1,200+	105+
80 th -2007	6,241	1,481	1,200+	120+
81 st -2009	7,464	1,459	1,500+	120+
82 nd -2011	5,938	1,379	1,500+	160+
83 rd -2013	5,950	1,437	1,900+	220+
84 th -2015	6,476	1,329	1,900+	220+
85th - 2017	6,800	1,208	2,500+	294



THE BOTTOM LINE

- All of this -- the participants, the volume of bills, the anti-city sentiment, the agendas -- produced one of the **most difficult** legislative session for Texas cities in recent years -- and for Focused Advocacy.
- It was unlike any session in that attacks on cities at times came:
 - from leadership,
 - on multiple fronts (property taxes, debt, regulatory roles).
- In addition, we lack knowledgeable policy champions.



STRATEGIC ADVICE

- Think about your future needs to:
 - Annex,
 - Issue debt,
 - Execute an economic development agreement,
 - Regulate via the adoption of ordinance, or
 - Generate more revenue.

- Act soon

STATEWIDE ISSUES THE BIG PICTURE





STATE BUDGET

SB 1

- Lawmakers had less money at their discretion:
 - \$4 billion from franchise tax cuts passed in 2015
 - \$5 billion dedicated to state highways — voter approve
 - Moderately sluggish economy



STATE BUDGET

SB 1

- Approved a **\$217 billion**, two-year budget:
 - \$500M increase for CPS child welfare agency,
 - \$800M for “border security” and 250 new state troopers,
 - Covers enrollment growth at public schools,
 - But reduces state funding for public education by **\$1.1 billion**
 - Offset primarily by growth in local property taxes



STATE BUDGET

SB 1

- Compromise on the methods of finance:
 - \$1 billion taken from Rainy Day Fund, and
 - \$2 billion from funding intended for highways (accounting trick).
- House favored tapping Rainy Day Fund and leaving transportation funding alone. Senate had opposite position.
- Final vote: House 135-14; Senate 30-1.



STATE BUDGET

SB 1

- Budget does **not** :
 - Fix the state’s school finance system;
 - Overhaul higher education spending or “special items;” or
 - Fully fund growth in Medicaid.
- Anticipated shortfall of \$1 billion for lawmakers to address when they return in 2019.



STATE BUDGET SB 1 – CITY ISSUES

Budget Item	2016–2017	2018-2019	Change
Mixed Beverage Tax	\$408.5 M	\$443 M	+ \$34.5 M
Library Resource Sharing	\$37.4 M	\$37.6 M	+ \$200,000
Local Library Aid	\$4.95 M	\$7.15 M	+ \$2.2 M
Local Parks Grants	\$32 M	\$28.7 M	(\$3.3 M)
Bulletproof Vests	\$0	\$25 M	+ \$25 M
LEOSE Law Enforcement Training	\$12 M	\$12 M	\$0
DEAAG Defense Community Grants	\$30 M	\$20 M	(\$10 M)
Total:	\$524.85 M	\$573.45 M	+ \$48.6 M



WHAT PASSED

1. State budget
2. TxDOT sunset
3. RRC sunset
4. CPS reforms
5. Mental health reforms
6. Sandra Bland Act
7. Child trafficking reforms
8. Ethics reforms
9. Public education reforms
10. Cybersecurity
11. Texting while driving
12. Sanctuary cities
13. Convention of the States
14. Voter ID
15. Pro-Life
16. Gun permit fees
17. Protective vests for police
18. Elimination straight party voting
19. TNC/Ride hailing (Uber)
20. Dallas & Houston pension



WHAT DID NOT PASS

- No legislation passed affecting:
 - School finance
 - School choice
 - Bathrooms/LGBT
 - Franchise tax reductions
 - Medical marijuana
 - Higher education funding/tuition

WHAT'S NEXT?





WHAT'S NEXT?

1. Vetoes
2. Special Session – July 18 for 20 items
3. Judicial Branch
4. Upcoming Elections
5. 86th Session (2019)



SPECIAL SESSION

- Texas Medical Board sunset
- 19 other items including:
 - Revenue Caps
 - Annexation
 - City regulations and permitting
 - City regulations of wireless devices
 - Bathroom/Privacy/LBGT



JUDICIARY

- Sanctuary Cities
- Voter ID
- Small Cell Deployment (fees)
- Others



ELECTIONS

- Statewide Officers on the ballot in 2018 (US Senate)
- Primary races essentially start now (March 6, 2018)
- General Election (Nov. 6, 2018)
- Retirements / Seeking other offices will continue to drive turnover in Legislature



MEMBERS NOT RETURNING

SENATORS

1. Taylor, Van (R) – Congressional seat

REPRESENTATIVES

1. Keough, Mark (R) – County Judge



LOOKING AHEAD CITY ISSUES NEXT SESSION

- Anti-First Amendment Movement (limiting cities voice in legislature)
- Local Control v. Liberty (i.e. - municipal preemption)
- Re-Addressing unconstitutional laws
- Open Records / Open Meetings / Land Use / Regulations



THANK YOU

FOCUSED  **ADVOCACY**

Brandon Aghamalian

Snapper Carr

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Andrew Keefer